

DEPARTMENT OF THE TREASURY

Walker R. Stapleton
State Treasurer



Brett J. Johnson
Deputy Treasurer

**REQUEST FOR QUALIFICATIONS (RFQ) FROM COLORADO LAW FIRMS
to provide legal services for
GENERAL FUND TAX AND REVENUE ANTICIPATION NOTES Series 2012 (GTRAN)
and/or
SCHOOL LOAN ANTICIPATION NOTES Series 2012 (School Notes)**

I. TAX AND REVENUE ANTICIPATION NOTES

- A. The Treasurer of the State of Colorado is authorized by the Funds Management Act of 1986 (C.R.S. §24-75-901) to issue tax and revenue anticipation notes (GTRANs). These notes facilitate effective cash management for the State's general fund.
- B. The estimated amount of the GTRANs for fiscal year 2012-13 is \$600 million. The expected cash deficit must occur within six months of issue and the maturity of the notes cannot exceed one year. The Treasurer's tentative plan is to sell the notes at a competitive sale in late June with settlement in early July. Cash flow projections updated after distribution of this request may affect the amount, the schedule, or show the need for a second sale of notes. It is also possible that new data may show no need for a GTRAN sale.

II. SCHOOL LOAN ANTICIPATION NOTES

- A. The Treasurer issues school loan anticipation notes in accordance with the School Loan Program Act (C.R.S. §22-54-110 and §29-15-112). These School Notes facilitate effective cash management for various school districts in the State.
- B. The estimated amount of the notes for fiscal year 2012-13 is \$500 million. The Treasurer's tentative plan is to sell about \$150 million at a competitive sale in late June with settlement in early July. A second sale in late fall will occur for the remainder.

III. LEGAL SERVICES NEEDED

- A. The Treasurer is inviting law firms located in the State of Colorado to submit responses to this RFQ to provide bond counsel and/or disclosure counsel services for these two note issues. See the Statement of Work in Exhibit A of the State Contract attached to this RFQ.
- B. The Treasurer may select up to four law firms to provide these services.
- C. Proposals are due Thursday, April 12, 2012 by 2:00 PM MDT.

IV. MINIMUM QUALIFICATIONS TO BID

- A. Proposing firms must be located in the State of Colorado, listed in the Colorado section of *The Bond Buyer's Municipal Marketplace (the "Red Book")*, and have demonstrated a long-standing and continuous commitment to the debt issuance of governmental entities. The firm must clearly present its Colorado business address in its proposal.
- B. Proposing firms must have served as a bond counsel or disclosure counsel on a public bond issue of at least \$20,000,000 in the past three years.
- C. Proposing firms must address the following requirements in their proposal:
 - 1. Any relationship or compensation arrangement that the firm or any individual in the firm has currently or had at any time in the past two years that could create or appear to create a potential conflict of interest.
 - 2. Any delinquent State or local tax that occurred in the previous two years.
- D. Proposing firms must certify in their proposal that they will not take on any engagement that could result in a conflict of interest after selection.
- E. Proposing firms shall not submit joint proposals with other firms.
- F. If selected, the proposing firm must agree to sign the State Contract for Legal Services attached hereto as Appendix B. The firm shall acknowledge that upon award, the firm will sign the State Contract for Financial Advisory Services attached as Appendix B. Any changes or objections to the State Contract MUST be detailed in the firm's proposal.

V. SCOPE OF SERVICES

- A. The selected law firm(s) will work closely with the State's finance team to provide the necessary legal advice and assistance in effectively structuring and selling the notes. See the Statement of Work in Exhibit A of the State Contract attached to this RFQ.
- B. The firms will provide advice and assistance on all legal issues affecting the financings including:
 - 1. Prepare legal documents required for the financing, such as:
 - a) Preliminary and final official statements.
 - b) Sale documents and purchase agreements.
 - 2. Provide legal opinions required for the financing such as:
 - a) The authority to issue the notes, including compliance with relevant Federal and State statutes and the State Constitution.
 - b) Compliance with federal arbitration statutes and regulations.
 - c) The tax status of the notes.
 - 3. The legality of any investments of the note proceeds.
 - 4. Provide advice and assistance on all other legal matters that may affect the note sales.
- C. The firms also will provide legal advice and assistance on issues affecting the school loan program including:
 - 1. Providing the financial advisor with responses to any legal questions needed to update the existing loan program application package outlined in C.R.S. §22-54-110 and providing an opinion that the contents and process meet all applicable State statutory requirements.
 - 2. Reviewing the evaluation and acceptance process for loan applications and providing an opinion that the process is statutorily sufficient.

3. Reviewing the loan program and process in its entirety and providing an opinion that the associated debt issue meets all applicable federal legal and tax requirements as well as State statutes and Constitutional provisions.

VI. PROPOSAL FORMAT

A. Overview

1. Briefly describe the firm's business as it relates to public finance and the issuance of debt for Colorado governmental entities. Include a list of the firm's partners in an appendix.
2. Acknowledge that the firm is listed in the Colorado section of *The Bond Buyer's Municipal Marketplace (the "Red Book")*.
3. Provide a contact for this RFQ and his or her phone number, fax number, and email address. Place this information on the cover page.

B. Experience

1. Describe why the firm is well qualified to provide the legal services requested.
2. Describe recent experience in providing such legal services in state or municipal financings. Indicate whether the experience was as general, bond, disclosure, underwriter, or special counsel.
3. Provide contact information from other public entities as references for your firm.
4. Provide the form and amount of the firm's malpractice insurance coverage as an appendix.

C. Staffing

1. Describe the professional and public finance experience of the attorneys who will provide the services requested and include their office locations, phone and fax numbers and email address.
2. Identify the individual attorney who will have the primary responsibility for the note issues. If selected the attorney with primary responsibility for the project will be expected to make the project a top priority in order to meet closing deadlines. Note that the attorneys providing the services are members in good standing of the Colorado Bar and are duly authorized to practice law in the State.

D. Financing

1. Briefly describe your perspective on the key legal issues in these financings.
2. Discuss any new legal issues (including qualified ballot initiatives) or federal regulations that may affect these note issues.

E. Fees

1. Present in Attachment A the fees and expenses the firm would charge for the following legal services.
 - a) Tax and revenue anticipation notes – BOND COUNSEL.
 - b) Tax and revenue anticipation notes – DISCLOSURE COUNSEL.
 - c) School loan anticipation notes - BOND COUNSEL.
 - d) School loan anticipation notes - DISCLOSURE COUNSEL.
 - e) BOND COUNSEL - tax and revenue & the school loan anticipation notes
 - f) DISCLOSURE COUNSEL - tax and revenue & the school loan anticipation notes
2. A firm may present up to six separate fees, one for each service listed above.

3. A firm shall present the fee for a second issuance of notes in whichever role is selected for the initial fee.
4. Provide a table with the fee data following the column and row format below:

| | Column letters | | | |
|-------|---|----------------------|----------------------|-----------------|
| Row # | A | B | C | D |
| 1 | 2012 FEE TABLE Bond and Disclosure Counsel | | | |
| 2 | | | | |
| 3 | <u>Requested Role</u> | <u>Fee 1st issue</u> | <u>Fee 2nd issue</u> | <u>Expenses</u> |
| 4 | BOND COUNSEL - GTRAN | | | |
| 5 | DISCLOSURE COUNSEL - GTRAN | | | |
| 6 | BOND COUNSEL – School Notes | | | |
| 7 | DISCLOSURE COUNSEL – School Notes | | | |
| 8 | BOND COUNSEL GTRAN & School Notes | | | |
| 9 | DISCLOSURE COUNSEL GTRAN & School Notes | | | |

5. Present the fees using one of the formats listed below.
 - a) The fee may be a fixed amount.
 - b) The fee may be an hourly charge. The maximum dollar amount must be estimated and include the firm's expectations if this estimate is not reached or if it is exceeded.
6. Include an estimate of expenses to be paid by the State.
7. Note if the fee would be changed by the firm's involvement in the marketing and/or rating agency presentations.
8. The firm shall acknowledge in its proposal:
 - a) That the fees and expenses are paid solely from the proceeds of the note sales and there are no alternative sources of reimbursement.
 - b) That the proposed fees are fixed and are not subject to change after acceptance by the State.
 - c) That the proposed fees are reasonable for the legal services rendered.
 - d) These acknowledgments are required before a proposal will be accepted by Treasury for review.
9. The firm shall acknowledge that upon award, the firm will sign the State Contract for Legal Services attached as Appendix B. Any changes or objections to the State Contract MUST be detailed in the firm's proposal.

VII. EVALUATION PROCESS

- A. The proposals will be reviewed by a group of evaluators including one or more persons from outside the Treasury. The group will evaluate all proposals and categorize each as a bond counsel or disclosure counsel and then meritoriously rank each proposal in its category.

- B. The de-identified rankings will be presented to the Treasurer for his selection.
- C. Conformance with the minimum qualifications specified in this RFQ is a prerequisite for evaluation.
- D. The evaluation factors will include:
 - 1. Prior experience in providing the services requested and the firm's commitment of resources.
 - 2. Understanding and approach to the project.
 - 3. Qualifications and ability of personnel.
 - 4. Quality of the firm's presentation in its proposal.
 - 5. The fees proposed by the firm compared to the quality of proposal. Although the fees presented are an important evaluation criterion, a firm whose proposed fee exceeds the fees proposed by other firms may receive a higher ranking based upon qualitative factors.

VIII. ADMINISTRATIVE INFORMATION

- A. The evaluation process may include informal interviews of highly ranked firms.
- B. If a firm is selected, it shall take no position contrary to the State, nor represent any client whose interests are in conflict with the State on this note issue. It must disclose any relationship or compensation arrangement that could create or appear to create a conflict of interest with any entity involved in the proposed note issue or the investment of note proceeds.
- C. By submitting a proposal, the firm certifies that it fully understands the services requested including the associated terms and conditions. Treasury assumes no liability for expenses incurred by a firm prior to its selection, nor any subsequent expenses or fees of selected firms if the notes are not sold.
- D. Materials submitted to the Treasury become property of the State and after award become a public document. Firms must identify any proprietary or confidential information in their proposal.
- E. The Treasury reserves the right to cancel this RFQ at any time or to reject any or all proposals. Any actual or prospective proposer who is aggrieved in connection with the solicitation or award of a contract may protest to the Chief Financial Officer at Treasury by submitting a written protest within seven days after the award. Protests will be reviewed by the State Treasurer within 30 days of receipt and a decision rendered within 60 days.
- F. The successful Firm must provide the required insurance certificate when the State Contract is executed.
- G. The response to this RFQ should not exceed 12 pages excluding appendices, with every page numbered except the cover and partition pages. Although there is no limit on the number of pages in appendices, try to avoid organizational hagiographies that only heighten the hackles of hard working evaluators.
- H. Please provide five hard copies of your proposal. Although proposals delivered by fax or email do not count towards the five hard copies, please email to Charles Scheibe an electronic copy of your proposal.
- I. Proposals are due at **2:00 P.M. MDT Thursday, April 12, 2012** at the Department of Treasury, 200 E. Colfax Ave., room 140, Denver CO 80203 in the State Capitol. It is anticipated that the final selection will be made on or before April 20, 2012.
- J. Any contract resulting from this RFQ shall be in the form of the State Contract for Legal Services presented in a separate attachment, without material modification except as noted in the firm's proposal.

- K. There is no penalty whatsoever on a firm that chooses not to submit a proposal.
- L. Questions about this RFQ, the note issues, or the Treasury may be directed to:

Charles Scheibe, Chief Financial Officer

Department of Treasury

200 E. Colfax Avenue, Room 140

Denver, CO 80203

Phone 303-866-5826 Fax 303-866-2123 Email: charles.scheibe@state.co.us

Clare Jozwiak (for school loan notes)

Department of Treasury

200 E. Colfax Avenue, Room 140

Denver, CO 80203

Phone 303-866-2280 Fax 303-866-2123 Email: clare.jozwiak@state.co.us

Sandy Tan, Contracts Manager

Department of Treasury

200 E. Colfax Avenue, Room 140

Denver, CO 80203

Phone 303-866-3253 Fax 303-866-2123 Email: sandy.tan@state.co.us

APPENDIX A

2012 FEE TABLE - BOND COUNSEL AND DISCLOSURE COUNSEL

| REQUESTED ROLE | Fee 1 st Issue | Fee 2nd Issue | Expenses | Notes |
|---|------------------------------|------------------|----------|-------|
| BOND COUNSEL Tax and revenue anticipation notes | \$ | \$ | \$ | _____ |
| DISCLOSURE COUNSEL Tax and revenue anticipation notes | \$ | \$ | \$ | _____ |
| | | | | |
| BOND COUNSEL School loan anticipation notes | \$ | \$ | \$ | _____ |
| DISCLOSURE COUNSEL School loan anticipation notes | \$ | \$ | \$ | _____ |
| | | | | |
| TRAN & School Loan Notes BOND COUNSEL | \$ | \$ | \$ | _____ |
| TRAN & School Loan Notes DISCLOSURE COUNSEL | \$ | \$ | \$ | _____ |

NOTES:

1. If the firm is not bidding on one or more of the roles above, it should enter NO BID in the associated boxes

ADDITIONAL INFORMATION (if any)
